

AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF  
THE REPUBLIC OF CHILE FOR THE AVOIDANCE OF DOUBLE TAXATION OF  
INCOME FROM THE OPERATION OF SHIPS AND AIRCRAFT

**ARTICLE 1.** The Government of Canada shall exempt a Chilean transportation enterprise from all taxes on capital relating to, and on income derived from the operation of ships or aircraft in international traffic.

**ARTICLE 2.** The Government of Chile shall exempt a Canadian transportation enterprise from all taxes on capital relating to, and on income derived from the operation of ships or aircraft in international traffic.

**ARTICLE 3.** The exemption provided in paragraphs 1 and 2 above shall also apply to income derived from, or capital relating to, the participation of a Canadian or Chilean transportation enterprise in a pool, a joint business or an international operating agency.

**ARTICLE 4.** For the purposes of this Agreement:

- a) The expression "Canadian Transportation enterprise" means an enterprise carried on by:
  - i) the Government of Canada,
  - ii) a physical person (other than a national of Chile) resident in Canada for the purposes of income taxes imposed by the Government of Canada, and not ordinarily resident in Chile, or,
  - iii) a corporation or other entity or group of persons deriving its status as such from the laws of Canada, and resident in Canada for the purposes of Canadian tax.